

Message Text

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70

ACTION NEA-10

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-07 NSC-05
CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 COME-00
FRB-03 XMB-02 CIAE-00 INR-07 NSAE-00 CAB-02 DODE-00
DOTE-00 FAA-00 L-03 /075 W

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R 091237Z DEC 76

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 9949

INFO AMCONSUL BOMBAY

AMEMBASSY ROME

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ROME FOR RCAA DWOR

EXIMBANK FOR EXECUTIVE VICE PRESIDENT BEIM

E.O. 11652:N/A

TAGS: EAIR, BEXP, ETRD, IN

SUBJ: BOEING 737S SALE TO INDIAN AIRLINES

1. THE CHARGE CALLED ON A.H. MEHTA, CHAIRMAN, INDIAN AIRLINES, TO ASCERTAIN STATUS OF THE SALE OF FIVE 737S. MEHTA CONFIRMED THAT IA WAS RECOMMENDING TO THE PLANNING COMMISSION THE PURCHASE OF THE AIRCRAFT. THE PLANNING COMMISSION WAS SCHEDULED TO MEET WITHIN TWO DAYS AND ITS RECOMMENDATION WOULD THEN BE MADE TO THE PUBLIC INVESTMENT BOARD, WHICH IS CONCERNED WITH FINANCING. MEHTA EXPECTS THAT THE PIB WILL MEET NEXT WEEK AND THAT A FINAL DECISION WILL BE FORTHCOMING FROM THE CABINET COMMITTEE BY THE END OF DECMEBER. BOEING HAS AGREED TO EXTEND THE DATE FOR FINALIZING THE FINANCING FROM DECEMBER 15 TO

2. THE CHARGE CONFIRMED THAT THE EXIM BANK FINANCING TERMS OFFERED IN AUGUST WERE FINAL AND REMAINED IN EFFECT. MEHTA APPEARED RELIVED THAT THE OFFER REMAINED EFFECTIVE AS HE HAD BEEN HEARING FROM TRADE SOURCES THAT EXIM BANK WAS RECONSIDERING ITS POLICY TOWARD FINANCING OF AIRCRAFT.

3. MEHTA REITERATED THAT THE SHORT RUNWAYS AND HEAVY

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WEIGHT OF THE 737 WERE FACTORS WEIGHING AGAINST THE PUR-

CHASE OF 737S. HE ASKED WHETHER THERE WERE ANY ADDITIONAL
USG FACILITIES AVAILABLE FOR FINANCING RUNWAY AND AIRPORT
IMPROVEMENT. THE CHARGE RESPONDED THAT THERE WAS NO BI-
LATERAL AID PROGRAM AND THAT U.S. AID TO INDIA WAS IN THE FORM OF
FOOD AND ASSISTANCE THROUGH MULTILATERAL ORGANIZATIONS.

4. MEHTA STATED THAT IN ADDITION TO THE THREE 737S THERE
WERE TWO VIP 737S IN THE PACKAGE. IN ADDITION, HE WAS NOW
CONSIDERING THE PURCHASE OF FOUR 737S OF 6 OR 7 80-SEAT AIRCRAFT
FOR NEXT YEARS'S REQUIREMENTS. SCHNEIDER

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Message Attributes

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Control Number: n/a
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Draft Date: 09 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: vogelfj
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
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Margaret P. Grafeld
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EO Systematic Review
04 MAY 2006

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To: STATE
Type: TE
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